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E.O. 13526: N/A

TAGS: ENRG, EPET, SENV, PGOV, CA

SUBJECT: Ambassador Jacobson's Visit to Alberta, July 15-20, 2010

Sensitive But Unclassified (SBU)

Not for distribution outside of USG Channels

Please Handle Accordingly

SUMMARY

1. (SBU) During a visit to Alberta July 15-20, Ambassador Jacobson met with government, business and community leaders in Calgary and Lethbridge in southern Alberta. The trip to Calgary during its annual Stampede celebration of Western Canadian culture was well received. The Ambassador reinforced key U.S. messages including the need to balance energy and the environment, the

UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: NORMAN M BOUTON DATE/CASE ID: 27 JUN 2011 201102141

need to achieve both security and efficiency	tration's commitment to strong U.SCanada ties, and the achieve both security and efficiency at our shared border.					
End Summary.	DECONTROLLED/UNCLASSIFIED					
July 15 - Cultural and Business Outreach						

- 2. (SBU) The Ambassador started off with a visit to the Chinese Cultural Centre to meet members of Calgary's 75,000-strong ethnic Chinese community and congratulate them on the 100th anniversary of the founding of Calgary's Chinatown. After touring the center, one of the largest in North America, the Ambassador highlighted the similar histories of the U.S. and Canada in respect to the many unique contributions of the Chinese community in shaping both of our nations.
- 3. (SBU) After a courtesy call on outgoing Calgary Mayor Dave Bronconnier and a visit with the staff of ConGen Calgary, the Ambassador attended a dinner with representatives of the American Chamber of Commerce, Canada West Chapter (AmCham). The four Board members and four representatives of AmCham's senior members gave the Ambassador a readout of the AmCham's goals and activities in Western Canada and a sense of the dynamic economy of this region.

July 16 - Media, Energy/Environment, and Stampede

- 4. (U) The Ambassador started the day very early on City TV Calgary's Breakfast TV. He highlighted the purpose of his visit to Calgary to attend the annual summit of the Pacific Northwest Economic Region and to experience the Calgary Stampede cultural and rodeo event. He was also able to clarify the USG position on issues related to energy and the environment in the context of oil sands development.
- 5. (SBU) In response to a question regarding a campaign by a U.S. NGO discouraging Americans from traveling to Alberta due to oil sands production here, the Ambassador emphasized the need for energy development in Alberta to be as environmentally sustainable as possible. He also pointed out that a simplistic billboard campaign does not reflect the complicated nature of the dialogue over energy/environment issues, and is the equivalent of arguing that Canadians should not visit the Ambassador's home state of

Illinois because they produce coal. DECONTROLLED/UNCLASSIFIED

- 6. (SBU) In a subsequent meeting, TransCanada Corporation's new CEO, Russ Girling, provided an overview of the company's operations, which include operating more than 37,000 miles of oil and natural gas pipelines that supply North America. He also described TransCanada's role as the recipient of the 1977 Canada-U.S. Alaska Natural Gas Transmission System certificate to build the Canadian portion of that natural gas pipeline, and as a partner in the proposed MacKenzie Valley pipeline to transport natural gas from the Northwest Territories through Alberta to North American markets. Girling described TransCanada's first foray into oil transportation through the recently-initiated Keystone petroleum pipeline to Wood River, Illinois, and the company's aspirations to build an expansion of that line to the U.S. Gulf Coast. Finally, TransCanada officials provided a tour of the company's state-of-the-art control room from which they monitor the pipelines under their control.
- 7. (SBU) Energy/environment was the topic of the Ambassador's luncheon meeting with seven energy sector executives. In attendance were; Edco Financial CEO Murray Edwards; Chevron Canada CEO Jeff Lehrmann; Cenovus CEO Brian Ferguson, Suncor CEO Rick George; Shell Canada Country Director Lorraine Mitchelmore; Enbridge CEO Pat Daniel, and MGM Energy President Henry Sykes. The attendees explained their companies' efforts to reduce the environmental impact of oil sands development. While the Ambassador acknowledged progress made over the past two decades, he emphasized the need for continued diligence. Attendees were keen to hear the Ambassador's views on the U.S. debate over possible energy/climate legislation and efforts to encourage clean energy technologies. All participants supported the idea of encouraging more U.S. legislators to visit Alberta to get a better sense of how resources are being developed in the province.
- 8. (SBU) Member of Parliament for Calgary Center Lee Richardson hosted the Ambassador at the Calgary Stampede grounds for the rodeo, a guided visit to the Indian Village, and the chuck wagon races. Stampede is Calgary's annual ten-day celebration of Western Canadian culture, and the Ambassador's presence was positively noted by the Calgary press and community representatives.

July 17-18 - Clean Energy R&D, press outreach and Western Canada's Economy

9. (SBU) Over the weekend, the Ambassador met with a number of players involved with research in clean energy technologies to discuss ways in which we could forge stronger ties between experts UNCLASSIFIED and researchers on both sides of our shared border working to address similar energy challenges. Participants included Bruce Carson, Executive Director of the Canada School of Energy and Environment and Chair of Carbon Management Canada, University of Alberta's Vice President of Research Lorne Babiuk, and representatives of the Idaho National Laboratory (INL). As a result of the discussions, participants agreed to develop ideas for stronger cooperation that can be further discussed during a planned late September visit of INL Director John Grossenbacher to Alberta.

10.(U) The afternoon included a lunch with Calgary Herald Editor in Chief Lorne Motley and Managing Editor Monica Zurowski. The Ambassador also met with Larry Persily, U.S. Federal Coordinator for Alaska Natural Gas Transportation Projects, for an update on Persily's activities related to the proposed natural gas pipeline from Alaska's North Slope through Canada to the U.S. mainland.

11. (SBU) Over dinner, Canada West Foundation President and CEO Roger Gibbins shared his views on the economic development of Canada's western region. Gibbins noted that Western Canada is increasingly part of the national agenda and has been gaining economic and political power. Gibbins touted the recently formed "New West Partnership" under which Alberta, British Columbia and Saskatchewan seek to create an inter-provincial barrier-free trade and investment market, characterizing is as an important attempt to pool the resources of a region containing 9 million people and producing more than \$550 million in GDP.

Speech at PNWER on Security and Energy/Environment

12. (SBU) On July 19, the Ambassador delivered the keynote breakfast speech to members of the Pacific Northwest Economic Region, a public/private regional U.S.-Canadian forum dedicated to improving the region's economic competitiveness. Addressing the 700 delegates from British Columbia, Alberta, Saskatchewan, the Northwest Territories, Yukon, Alaska, Washington, Idaho and Montana, the Ambassador acknowledged PNWER as a model for regional and national cooperation. He addressed two issues of focus for the organization - border security and efficiency and energy/environment. On the former, the Ambassador suggested that if we work together and employ intelligent and innovative approaches, we can have both security and efficiency. He

specifically discussed efforts to make the border our last line of defense, rather than the first - using a layered approach that DECONTROLLED reaches beyond the border to identify and confront potential threats before they arrive at our border. On energy/environment, UNCLASSIFIED the Ambassador recognized the critical role Canada plays in North American energy security and the reality that global demand for oil is growing, not shrinking. He emphasized that we need to find ways to increase supply of energy in the safest, most responsible way possible even while we find ways to cut back on greenhouse gas emissions. While recognizing progress already made to reduce the impact of oil sands developing, the Ambassador called upon industry leaders to do everything in their power to reduce the carbon footprint of the oil sands operations in order to meet the challenges of providing energy security while meeting the obligations of environmental stewardship. The Ambassador's remarks were well-covered by the media with several outlets in Calgary and Edmonton carrying coverage of his PNWER address.

Community Outreach in Southern Alberta

13. (SBU) Also on July 19, the Ambassador met with regional government, community and business leaders in Lethbridge, the largest city (population 87,000) in southern Alberta and the region's commercial, financial, transportation and industrial center. He got an overview of some of the economic and commercial issues in this town an hour from the U.S. border, and conveyed the Administration's views on our bilateral energy trade.

Renewable Energy: Visit to Suncor's Magrath Wind Farm

14. (SBU) In a tour of the Magrath Wind Power Project jointly owned by Suncor and Enbridge, the Ambassador learned about Suncor's

efforts to invest in this alternative source of energy. Suncor operates four wind farms in Alberta (total capacity of 147 megawatts) with other projects in planning stages. At Magrath, partner Enbridge purchases one-third of the projects power output for its pipeline system with the remainder sold to consumers through Alberta's electricity grid.

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COMMENT

15. (SBU) The Ambassador's visit to Alberta during the annual PNWER Summit and the Calgary Stampede was seen as a manifestation of USG interest in the region's economic wellbeing and cultural life. Overall media reporting was balanced and accurate, and projected the Ambassador's emphasis on the need to balance energy development with environmental sustainability. His appearance in Lethbridge drove home his message that he is interested in learning as much as possible about this country and its people. End Comment. LOCHMAN

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